



Venezuela Economic Outlook

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Here is our monthly summary of recent economic developments in Venezuela:

Gross Domestic Product: Economic Growth

- The Gross Domestic Product (GDP) of Venezuela at constant prices, according to official sources, registered a rebound of 17.73 percent from January to September 2022, compared to the same period in 2021. However, the nominal figures to date are not known.
- The estimate of the Venezuelan economy by private consultants is approximately US\$60 billion. Venezuelan GDP in nominal terms for 2014 was approximately US\$482 billion.
- Tax collection for 2022, according to official sources, was US\$4.744 billion, a growth of 97 percent compared to the figure collected in 2021 of US\$2.408 billion.

Money Market and Inflation

- Since 2018, the national money market is the main instrument to control inflation. Historically, inflation in Venezuela is highly correlated with increases in liquidity. Therefore, strong measures have been applied to restrict it; measures such as reducing public spending and increasing the reserve requirement legal measures to banks to reduce the issuance of credit are among the most significant.
- Currently, the legal reserve positions that banks must maintain in the Central Bank of Venezuela (BCV) is 73 percent; by March 2020 it reached 100 percent.

Accumulated annual inflation (percentage) in Venezuela	
2018	130,060.2 percent
2019	9,585.5 percent
2020	2,959.8 percent
2021	686.4 percent
2022	334.0 percent
2023 (December to April)	53.5 percent



Exchange Market

- The exchange market in Venezuela is determined primarily by the balance between the offers of monetary liquidity in national and foreign currency. Weekly attempts are made to control the exchange rate by injecting foreign currency into the national banking system.
- By 2022, it is estimated that interventions of this nature reached US\$5.4 billion. This speaks of an average of US\$450 million each month.

Oil Situation

- According to the Organization of the Petroleum Exporting Countries (OPEC) figures, 810,000 barrels per day (bpd) are being produced. In April 2022, it was 707,000 bpd and for the same month of 2021, it was 445,000 bpd.
- A major catalyst in the industry is the recent entry of U.S. oil producer Chevron Corp., which estimates that from this point it could increase its production in Venezuela this year by as much as 50 percent, to 150,000 bpd without significant new investments, Chief Executive Michael Wirth said on April 28, 2023. The company is producing about 100,000 bpd in Venezuela, and growth, Wirth said, is limited by the terms of its U.S. license, which includes limits on the activities it can carry out.

External Debt Situation

- The balance owed by foreign debt bonds as of May 29, 2023, stands at US\$88.1 billion – US\$58.9 billion (64.6 percent of the total) corresponds to callable capital, US\$26.6 billion (31.9 percent) to accrued interest and US\$2.6 billion (3.4 percent) to default interest. In June, US\$100 million will be added for the maturity of interest corresponding to bonds of the Republic.

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